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HEALTH COVERAGE FOR NEW SERVICES

House Bill 5736 as enrolled
Public Act 446 of 1998
Sponsor: Rep. Gerald Law

House Bill 5737 as enrolled
Public Act 447 of 1998
Sponsor: Rep. Kirk Profit

House Committee: Health Policy
Senate Committee: Health Policy and Senior Citizens

Second Analysis (12-29-98)

THE APPARENT PROBLEM:

Recently, legislation has been offered to regulate various allied health professions through a system of registration or licensure. In this legislative session alone, over half a dozen bills were offered in the House of Representatives and Senate to create or increase regulation for professions such as athletic trainers, dietitians, respiratory therapists, and laboratory technicians, to name a few. In addition, several other bills would have enlarged the scope of practice of certain professions regulated under the Public Health Code to add other services to the list of those services currently defined in statute. Though many believe that state regulation leads to a higher standard of educational training for professionals and increased consumer protection, others feel strongly that regulation is an attempt by some health professions to be placed in statute as a means to receive third party reimbursement (insurance payments) for services rendered. Some insurers have expressed a concern that placement in the Public Health Code could be construed as a mandate for automatic health care coverage for services provided by the newly regulated professions, which could in turn further drive up health care costs. Therefore, legislation has been proposed that would clarify that certain plans would not be required to reimburse for services for professions regulated by statute after January 1, 1998.

THE CONTENT OF THE BILLS:

House Bill 5736 would amend the Nonprofit Health Care Corporation Reform Act (MCL 550.1502 and 550.1502a), which governs Blue Cross and Blue Shield of Michigan (BCBSM), to provide that for health care coverage offered under a contract or a prudent purchaser agreement, BCBSM would not be required to reimburse for services otherwise covered if the services were performed by a member of a health care profession that was not licensed or registered by the state on or before January 1, 1998, but that became licensed or registered after that date. The prohibition would not change the status of a health care profession that was licensed or registered by the state on or before January 1, 1998.

House Bill 5737 would amend the Worker's Disability Compensation Act (MCL 418.315) to provide that an employer would not be required to reimburse for services performed by a profession that was not licensed or registered by state law on or before January 1, 1998, but that became licensed, registered, or otherwise recognized by state law after that date.

FISCAL IMPLICATIONS:

According to the Senate Fiscal Agency, neither of the bills would have a fiscal impact on state or local governments. (11-18-98)

ARGUMENTS:

For:

Legislation regulating the education and training of health professionals should not be construed as mandates for automatic insurance coverage. The decision as to which medical services will be covered benefits should be left to employers and plan providers to negotiate, as well as the particular professions that would perform such services.

Analyst: S. Stutzky

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.